



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 09–15, Oklahoma State Income Tax Withholding

Date: February 6, 2009

To: Holders of TAXES (State of Oklahoma only)
Personnel User Groups
T&A Contact Points in Oklahoma

Beginning with wages paid for Pay Period 5, the National Finance Center (NFC) will make the following changes to the state of Oklahoma income tax withholdings:

- The Single and Married withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504–255–4630**.

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Oklahoma State Income Tax Information

State Abbreviation:	OK
State Tax Withholding State Code:	40
Basis For Withholding:	State or Federal Exemptions
Acceptable Exemption Form:	W-4
Acceptable Exemption Data:	S, M/ Number of Exemptions
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	If no state income tax certificate has been processed or no valid state exemption code is present, the Federal exemptions will be used in the computation of state taxes.

Withholding Formula ►(Effective Pay Period 5, 2009)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4.

$$\text{Exemption Allowance} = \$1,000 \times \text{Number of Exemptions}$$

6. If the employee is SINGLE, apply the following tax rates to annual taxable wages to determine the annual tax amount:

Tax Withholding Table Single

If the Amount of Taxable Income Is:		The Amount of Oklahoma Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ ►4,250	\$ 0.00	plus	0.0%	\$ 0
4,250	5,250	0.00	plus	0.5%	►4,250
5,250	6,750	5.00	plus	1.0%	5,250
6,750	8,000	20.00	plus	2.0%	6,750
8,000	9,150	45.00	plus	3.0%	8,000
9,150	11,450	79.50	plus	4.0%	9,150
11,450	12,950	171.50	plus	5.0%	11,450
12,950 ◄	and over	246.50	plus	5.5%	12,950 ◄

7. If the employee is MARRIED, apply the following tax rates to annual taxable wages to determine the annual tax amount:

Married				
If the Amount of Taxable Income Is:		The Amount of Oklahoma Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ ▶8,500	\$ 0.00	plus 0.0%	\$ 0
8,500	10,500	0.00	plus 0.5%	▶ 8,500
10,500	13,500	10.00	plus 1.0%	10,500
13,500	16,000	40.00	plus 2.0%	13,500
16,000	18,300	90.00	plus 3.0%	16,000
18,300	20,700	159.00	plus 4.0%	18,300
20,700	23,500	255.00	plus 5.0%	20,700
23,500◀	and over	395.00	plus 5.5%	23,500◀

8. Divide the annual Oklahoma tax withholding by 26 and round to the nearest dollar to obtain the biweekly Oklahoma tax withholding.
9. Add additional amount or percentage elected by the employee to the pay period tax calculated in the above step and ROUND TO THE NEAREST DOLLAR to determine the amount of tax to be withheld for this pay period.